

CASE NAME: Colony Lodging, Inc.

Petition Date: 7/27/2010  
CASE NUMBER: 10-60909-RBK

MONTHLY OPERATING REPORT SUMMARY FOR MONTH AUGUST YEAR 2010

MONTH	AUGUST				
REVENUES (MOR-6)	88745				
INCOME BEFORE INT, DEPREC./TAX (MOR-6)	10413				
NET INCOME (LOSS) (MOR-6)	10413				
PAYMENTS TO INSIDERS (MOR-9)	0				
PAYMENTS TO PROFESSIONALS (MOR-9)	0				
TOTAL DISBURSEMENTS (MOR-8)	78332				

\*\*\* The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

CIRCLE ONE

Are all accounts receivable being collected within terms? ☒ Yes ☐ No  
Are all post-petition liabilities, including taxes, being paid within terms? ☒ Yes ☐ No  
Have any pre-petition liabilities been paid? Yes ☐ No ☒ If so, describe

Are all funds received being deposited into DIP bank accounts? ☒ Yes ☐ No

Were any assets disposed of outside the normal course of business? Yes ☐ No ☒

If so, describe

Are all U. S. Trustee Quarterly Fee Payments current? ☒ Yes ☐ No

What is the status of your Plan of Reorganization?

PLAN TO BE FILED WITHIN EXCLUSIVITY PERIOD.

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED: D. W. Lee  
(ORIGINAL SIGNATURE)

TITLE: Vice President

MOR-1

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE		DATE
CASUALTY	YES ( ) NO ( )	9-20-10
LIABILITY	YES ( ) NO ( )	9-20-10
VEHICLE	YES ( ) NO ( )	9-20-10
WORKERS (if applicable)	YES ( ) NO ( )	9-20-10
OTHER	YES ( ) NO ( )	9-20-10
ATTORNEY NAME: <u>Michael McConnell</u>		
FIRM: <u>Kelly Hart &amp; Hallman LLP</u>		
ADDRESS: <u>2400 Blvd Creek Farm 201 Main St. #2500</u>		
CITY, STATE ZIP: <u>Fort Worth, TX 76102</u>		
TELEPHONE: <u>(817) 332-2500</u>		

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE* 7/27/2010	MONTH August	MONTH	MONTH	MONTH	MONTH	MONTH
CURRENT ASSETS							
Cash	958	11371					
Accounts Receivable, Net	140007	161057					
Inventory, Lower of Cost or Market	0	0					
Prepaid Expenses	0	0					
Investments	0	0					
Other	0	0					
TOTAL CURRENT ASSETS	140965	172428					
PROPERTY, PLANT&EQUIP. @ COST (2)	1000000	1000000					
Less Accumulated Depreciation							
NET BOOK VALUE OF PP & E (2)	1000000	1,000,000					
OTHER ASSETS:							
1. Tax Deposits							
2. Investments in Subs							
3.							
4. (attach list)							
TOTAL ASSETS	1,140,965	1,172,428					

\*Per Schedules and Statement of Affairs

MOR-2

Revised 6/1/98

## COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE* 7/27/2010	MONTH AUGUST	MONTH	MONTH	MONTH	MONTH	MONTH
LIABILITIES:							
POST-PETITION LIABILITIES (MOR-4)		31155					
PRE-PETITION LIABILITIES:							
Notes Payable-Secured	6294152	6294152					
Priority Debt							
Federal Income Tax							
FICA/Withholding							
Unsecured Debt	61442	61442					
Other (PROP TAXES, OTHER TAX)	8315	8315					
TOTAL PRE-PETITION LIABILITIES							
TOTAL LIABILITIES	6363909	6375064					
OWNER'S EQUITY (DEFICIT):							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL							
RETAINED EARNINGS: Filing Date	5,222,944	5,222,636					
RETAINED EARNINGS: Post Filing Date							
TOTAL OWNER'S EQUITY (NET WORTH)	5,222,944	5,222,636					
TOTAL LIABILITIES & OWNER'S EQUITY	1,140,965	1,172,428					

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\*Per Schedules and Statement of Affairs

Revised 6/1/90

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	AUGUST					
TRADE ACCOUNTS PAYABLE	28003					
TAX PAYABLE:						
Federal Payroll Taxes	2669					
State Payroll & Sales						
Ad Valorem Taxes						
Other Taxes						
TOTAL TAXES PAYABLE	2669					
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE						
*ACCRUED PROFESSIONAL FEES:						
OTHER ACCRUED LIABILITIES:						
1. CHILD SUPPORT PAYABLE	483					
2.						
3.						
TOTAL POST-PETITION LIABILITIES (MOR-3)	31155					

\* Payment Requires Court Approval.

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AGING OF POST-PETITION LIABILITIES

MONTH *August*

DAYS	TOTAL	TRADE ACCTS	FED TAXES	STATE TAXES	AD-VALOREM, OTHER TAXES	OTHER
0-30	31155	28003	2669	0	0	483
31-60						
61-90						
91 +						
TOTAL	31155	28003	2669	0	0	483

AGING OF ACCOUNTS RECEIVABLE

MONTH						
	<i>August</i>					
0-30 DAYS	21050					
31-60 DAYS	0					
61-90 DAYS	0					
91 + DAYS	140007					
TOTAL	161057					

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Revised 6/14/96

STATEMENT OF INCOME (LOSS)

MONTH						FILING TO DATE
REVENUES (MOR-1)	August					
	88745					
TOTAL COST OF REVENUES	0					
GROSS PROFIT	88745					
OPERATING EXPENSES:						
Selling & Marketing	3688					
General & Administrative	34892					
Insiders Compensation	0					
Professional Fees	0					
Other (attach list)	0					
TOTAL OPERATING EXPENSES	38580					
INCOME BEFORE INT, DEPR/TAX (MOR-1)	50165					
INTEREST EXPENSE						
DEPRECIATION (YEAR 2ND AOT.)						
OTHER (INCOME) EXPENSE*						
OTHER ITEMS**						
TOTAL INT, DEPR & OTHER ITEMS (PMB)	39752					
NET INCOME BEFORE TAXES	10413					
FEDERAL INCOME TAXES						
NET INCOME (LOSS) (MOR-1)	10413					

Actual Accounting Required, Otherwise Footnote With Explanation  
\* Footnote Mandatory  
\*\* Unusual and/or infrequent item(s) outside the ordinary course of business; requires footnote

CASH RECEIPTS AND DISBURSEMENTS										FILING TO DATE
1. CASH - BEGINNING OF MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	
	August									
958										
RECEIPTS:										
2. CASH SALES	78924									
3. COLLECTION OF ACCOUNTS RECEIVABLE	4550									
4. LOANS & ADVANCES (attach list)	0									
5. SALE OF ASSETS	0									
6. OTHER (attach list) PREPAID Rent	5271									
TOTAL RECEIPTS	88745									
(Withdrawal) Contribution by Individual Debtor MPR-2*	0									
DISBURSEMENTS:										
7. NET PAYROLL	8281									
8. PAYROLL TAXES PAID	0									
9. SALES, USE & OTHER TAXES PAID (attach list)	598									
10. SECURED / RENTAL / LEASES	0									
11. UTILITIES	120									
12. INSURANCE	20808									
13. INVENTORY PURCHASES	0									
14. VEHICLE EXPENSES	0									
15. TRAVEL & ENTERTAINMENT	0									
16. REPAIRS, MAINTENANCE & SUPPLIES	1621									
17. ADMINISTRATIVE & SELLING	543									
18. OTHER (attach list) BEST Fee (court awarded)	6609									
TOTAL DISBURSEMENTS FROM OPERATIONS	38580									
19. PROFESSIONAL FEES	0									
20. U.S. TRUSTEE FEES	0									
21. OTHER REORGANIZATION EXPENSES (attach list) PNB	39752									
TOTAL DISBURSEMENTS	78332									
22. NET CASH FLOW	10413									
23. CASH - END OF MONTH (mor-2)	11371									

\* Applies to individual debtor's only.

CASH ACCOUNT RECONCILIATION  
MONTH OF August (PRE-PETITION)

BANK NAME	CITY NATIONAL	Pacific Menomonee	CHASE	CHASE (unaffiliated)
ACCOUNT NUMBER	#	#	#	#
ACCOUNT TYPE	GENERAL DISBURSEMENTS	GENERAL DISBURSEMENTS	GENERAL DISBURSEMENTS	<del>GENERAL DISBURSEMENTS</del>
BANK BALANCE	0	0	6932	480
DEPOSIT IN TRANSIT	0	0	0	100
OUTSTANDING CHECKS	0	0	<100>	<546>
ADJUSTED BANK BALANCE	0	0	6832	34
BEGINNING CASH - PER BOOKS	34	5	1191	(272)
RECEIPTS	0	0	81552	0
TRANSFERS BETWEEN ACCOUNTS	<13>	0	<52893>	10794
(WITHDRAWAL)CONTRIBUTION-BY INDIVIDUAL DEBTOR MFR-2	0	0	0	0
CHECKS/OTHER DISBURSEMENTS	<21>	<5>	<23018>	<10488>
ENDING CASH - PER BOOKS	0	0	6832	34

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CASH ACCOUNT RECONCILIATION  
MONTH OF August (post-portion)

BANK NAME	WELLS FARGO	WELLS FARGO	WELLS FARGO	WELLS FARGO
ACCOUNT NUMBER	#9245844072	#9245844049	#9245844080	#1993710340
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	DEPOSITORY MANAGERS
BANK BALANCE	7493	500	1840	1693
DEPOSIT IN TRANSIT	0	0	0	0
OUTSTANDING CHECKS	(7092)	0	0	0
ADJUSTED BANK BALANCE	401	500	1840	1693
BEGINNING CASH - PER BOOKS	0	0	0	0
RECEIPTS	0	0	0	7193
TRANSFERS BETWEEN ACCOUNTS	45172	500	1840	(5500)
(WITHDRAWAL) CONTRIBUTION- BY INDIVIDUAL DEBTOR MFR-2	0	0	0	0
CHECKS/OTHER DISBURSEMENTS	(44771)	0	0	0
ENDING CASH - PER BOOKS	401	500	1840	1693

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CASH ACCOUNT RECONCILIATION  
MONTH OF August

BANK NAME	#	<del>DEBIT</del>	<del>CREDIT</del>	<del>DATE</del>	TOTAL
ACCOUNT NUMBER	#				
ACCOUNT TYPE					
BANK BALANCE					19009
DEPOSIT IN TRANSIT					100
OUTSTANDING CHECKS					(7738)
ADJUSTED BANK BALANCE					11371
BEGINNING CASH - PER BOOKS					958
RECEIPTS					88745
TRANSFERS BETWEEN ACCOUNTS					0
(WITHDRAWAL) CONTRIBUTION- BY INDIVIDUAL DEBTOR MFR-2					0
CHECKS/OTHER DISBURSEMENTS					(78332)
ENDING CASH - PER BOOKS					11371

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U. S. Bankruptcy Code) and the professionals. Also, for insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary.)

INSIDERS: NAME/POSITION/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	AUGUST					
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	0					

PROFESSIONALS NAME/ORDER DATE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	AUGUST					
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	0					

MOR-9



## Colony Expense Report

(7/27-8/31)

GL Code		AUGUST BUDGET	AUGUST ACTUAL	VARIANCE	COMMENTS
6000	Advertising				
	BCS Eagle	\$ 107.00		(\$107.00)	
	Apartment Finder	\$ 168.00		(\$168.00)	
	Illustratus	\$ 80.50		(\$80.50)	
	(Newsletter)			\$0.00	
7200	Utilities				
	College Station Utilities	\$ 13,627.20		(\$13,627.20)	
7220	Atmos Gas	\$ 130.00	\$120.44	(\$9.56)	
7170/2	Suddenlink	\$ 9,887.89		(\$9,887.89)	
7230	(Internet, cable& phone)			\$0.00	
6025	Dues/License/Membership			\$0.00	
	BCS Apartment Association	\$ 42.89	\$214.45	\$171.56	
6081	Software			\$0.00	
	AMSI	\$ 170.56		(\$170.56)	
7230	Telephone			\$0.00	
	AT&T	\$ 51.35		(\$51.35)	
	Kings 111	\$ 90.93		(\$90.93)	
	(Emergency pool phone)			\$0.00	
	Maintenance				
	Lawn care		\$30.00	\$30.00	
7070	Advanced Carpet Cleaning	\$ 2,000.00		(\$2,000.00)	
1180	Back 2 New Tub Resurfacing	\$ 900.00		(\$900.00)	
7100	Plumbing Supplies	\$ 1,000.00	\$38.10	(\$961.90)	
7085	HVAC Supplies	\$ 1,000.00	\$16.40	(\$983.60)	
7130	Miscellaneous Maintenance Supplies	\$ 1,000.00	\$1,174.82	\$174.82	
1145	Carpet Replacement	\$ 3,500.00	\$151.55	(\$3,348.45)	
	Painting	\$ -	\$210.49	\$210.49	
6085	Office Supplies	\$ 500.00	\$300.35	(\$199.65)	
	Bank Charges		\$100.64	\$100.64	
	Pest Control			\$0.00	
7235	Swoboda	\$ 253.31		(\$253.31)	
				\$0.00	
7310	Property Insurance	\$ 1,800.00	\$10,999.05	\$9,199.05	\$4200/monthly
	Liability Insurance	\$ -	\$9,809.09	\$9,809.09	Full year premium
	Payroll			\$0.00	required.
8200	Onsite Manager	\$ 3,166.68	\$3,266.68	\$100.00	
	Bonnie Fritts-\$1583.34 Semi-Monthly			\$0.00	
8220	Leasing Salary				
	Andrea Stacy-\$8.50/Hour Full-Time	\$ 1,360.00	\$1,484.32	\$124.32	
	Matt Brown-\$8.00/Hour Full-Time	\$ 1,280.00	\$1,317.92	\$37.92	
	Caroline Bayne-\$8.00/Hour Part-Time	\$ 500.00	\$425.76	(\$74.24)	
8230	Maintenance Salary				
	Patrick Howard \$12.00/Hour Full-Time	\$ 2,100.00	\$1,842.78	(\$257.22)	
	Andrew Cibrian \$9.00/Hour Full-Time	\$ 1,440.00	\$1,838.97	\$398.97	
	James Aguilar \$9.00/Hour Full-Time	\$ 1,440.00	\$976.64	(\$463.36)	
	Jose Contreras \$8.00/Hour Part-Time	\$ 500.00	\$22.48	(\$477.52)	
	Payroll Taxes (approx)	\$ 1,000.00	\$854.77	(\$145.23)	
	Reserve for Prop taxes (\$120000 annual)	\$ 10,000.00		(\$10,000.00)	
	Accounting/Data processing BCSK (8.15% gross)	\$ 9,252.51	\$6,608.94	(\$2,643.57)	8.5% of actual is
	(Budget=Based on \$108853)				\$7,321.50

TOTAL OPERATIONS \$ 68,348.82 \$ 41,804.64 \$26,544.18

Debt service to Pacific Mercantile Bank (PMB) \$ 39,751.82 \$39,751.82 \$0.00

TOTAL BUDGETED CASH OUTFLOW \$108,100.64 \$ 81,556.46 \$26,544.18

LESS: CHILD SUPPORT  
WITHHELD (NOT REMITTED YET)

<483.00>

LESS: PAYROLL TAXES  
WITHHELD (NOT REMITTED YET)

<2668.54>

LESS: MISC. TO RECONCILE

<72.00>

TOTAL DISBURSEMENTS

\$ 78332